

MINUTES OF THE REGULAR MEETING

OF THE

COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

May 15, 2007

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, May 15, 2007, at 8:30 a.m. at the Family Investment Center, Chicago, Illinois.

Chairperson Nesbitt called the meeting to order and upon roll call, those present and absent were as follows:

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| Present: | Martin Nesbitt Hallie Amey Dr. Mildred Harris Bridget O'Keefe Sandra Young Mary Wiggins |
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| Absent: | Earnest Gates Michael Ivers Carlos Ponce |
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Also present were Adrienne Minley, Chief of Staff; Jorge Cazares, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Adrienne Minley, Chief of Staff presented the Monthly CEO Report on behalf of Sharon Gist Gilliam. Per Ms. Minley, a significant milestone has been reached at the State Street corridor with the return of the first leaseholders to the new development at the site of the former Robert Taylor Homes and after this month, the first families will also move into Park Boulevard, on the site of the former Stateway Gardens. Ms. Minley then reiterated how important it is that parents get their children involved in summer activities since CHA has developed a strong partnership with the Chicago Park District to ensure that a variety of programs and activities are available to all CHA children. Ms. Minley completed her report by announcing the opening of Wentworth Garden's new community center on Wednesday, May 16th at 11:00 a.m. Ms. Minley congratulated Commissioner Amey and the resident leadership of Wentworth Gardens for making this center a showpiece for the Authority.

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

Chairman Nesbitt thereupon introduced Resolutions discussed in Executive Session.

Commissioner Young then presented an Omnibus Motion to approve resolutions for Executive Session Items 1 and 2.

Executive Session Item 1

RESOLUTION NO. 2007-CHA-60

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 3, 2007, requesting that the Board of Commissioners approves the Personnel Actions Report for April 2007.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for April 2007.

Executive Session Item 2

RESOLUTION NO. 2007-CHA-61

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 7, 2007, requesting authorization to enter into a settlement agreement pursuant to which Associated International Insurance Company will pay the CHA the amount of \$10,000 in the matter *CHA v. Admiral Insurance Co., et al.*, 04 CH 12868, for the termination of the CHA's rights under the excess insurance policy to make claims under the policy relating to the Aaron Litigation or the aforementioned coverage litigation.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel, or his designee, to enter into a settlement agreement pursuant to which Associated International Insurance Company will pay the CHA the amount of \$10,000 in exchange for the termination of the CHA's rights under the insurance policy by Associated International Insurance Company to make claims under the policy relating to the Aaron Litigation or the aforementioned coverage litigation as part of a settlement of the case of *CHA v. Admiral Insurance Co., et al.*, 04 CH 12868.

The Motion to adopt resolutions for Executive Session Items 1 and 2 was seconded by Commissioner Amey and the voting was as follows:

Ayes: Martin Nesbitt
Hallie Amey
Dr. Mildred Harris
Bridget O'Keefe
Sandra Young
Mary Wiggins

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolutions adopted.

Commissioner O'Keefe, Chairperson of the Finance and Audit Committee then presented her monthly report. Per Commissioner O'Keefe the Finance and Audit Committee was held on Wednesday, May 9, 2007 at 1:00 p.m. at the 60 E. Van Buren Corporate offices. The Chief Financial Officer and her staff presented the Committee with the Treasury and Cash Flow Report for the month of April, the Quarterly Budget and Grant Progress Reports, the March 2007 Financial Update and a Review of the 2006 Comprehensive Annual Financial Report.

Commissioner O'Keefe then introduced an Omnibus Motion for adoption of the Resolutions for Items A1 and A2 discussed, voted and recommended for Board approval by the Finance and Audit Committee.

(Item A1)

In June 2001, the ITS Department purchased Oracle database products to replace legacy computing systems and to be the platform for the CHA Systems@Work. At the time of the CHA's original purchase of the Oracle database software maintenance costs and services were negotiated in the agreement and were provided for the first year of use. In subsequent years since the expiration of the initial term of support and maintenance, the CHA has secured these services directly from Oracle. The type of product support for extension includes technical

support, as well as enhancements, upgrades and updates for Oracle database software, and is available only from Oracle. As the developer, licensor and owner of the database software and the exclusive provider of comprehensive support services, this extension was secured with Oracle on a sole source basis, on the same pricing terms and conditions as were in effect at the time of the original acquisition of Oracle database software. Accordingly, the resolution for Item A1 approves a two year contract for support and maintenance services with Oracle Corporation in the amount of \$237,588.97.

RESOLUTION NO. 2007-CHA-62

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated May 7, 2007 titled “Authorization to enter into an Extension of a Contract with Oracle Corporation for Support and Maintenance Services”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or her designee to enter into an extension of the contract with Oracle Corporation for Maintenance and Support Services for a two-year term for a total contract amount of \$237,588.97.

(Item A2)

The resolution for Item A2 ratifies the ten month Extension of the Wellhead Natural Gas Contract with Peoples Energy Services Corporation. The CHA’s prior contract extension period with People’s Energy Services Corporation for its natural gas supply is due to expire on May 31, 2007. People’s Energy and the CHA mutually agreed to extend the prevailing terms and conditions of the Wellhead Natural Gas Contract for an additional term of ten months from the May 31, 2007 expiration date. The terms of the contract enable the CHA to flexibly lock in forward pricing for CHA-designated amount of its projected consumption and also allow the CHA to acquire additional supplies needed in excess of the designated amount at prices pegged to index costs of the wholesale gas market. Natural gas prices fluctuate regularly on the open market and are generally anticipated to be highest during the winter months. Given CHA’s anticipated consumption of approximately 18,527,628 therms of natural gas for the next ten months this Contract Extension offers CHA the opportunity to purchase its gas needs at wholesale instead of retail, and enables the CHA to hedge against potential future market price fluctuations in wholesale gas supplies.

RESOLUTION NO. 2007-CHA-63

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated May 7, 2007, entitled “Ratification of a Ten (10) Month Extension Of The Wellhead Natural Gas Contract With Peoples Energy Services Corporation,

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners ratifies the Chief Executive Officer’s execution of the extension of the Wellhead Natural Gas Contract with Peoples Energy Services Corporation for a term of ten (10) months, commencing from June 1, 2007 and continuing through March 31, 2008, under the same terms and conditions as the existing agreement, in an amount not-to-exceed \$13,950,000.00, for the purpose of providing natural gas to the CHA during the extension term.

The Omnibus Motion to adopt resolutions for Items A1 and A2 was seconded by Commissioner Wiggins and the voting was as follows:

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| Ayes: | Martin Nesbitt Hallie Amey Dr. Mildred Harris Bridget O’Keefe Sandra Young Mary Wiggins |
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| Nays: | None |
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Finance & Audit Committee report was also accepted in total.

In the absence of Committee Chair Earnest Gates, Commissioner Harris then presented the Operations and Facilities monthly report. Per Commissioner Harris, the Operations and Facilities Committee Meeting was held on Wednesday, May 9, 2007 at 1:30 p.m. at the 60 E. Van Buren Corporate offices.

Commissioner Harris then introduced an Omnibus Motion for the adoption of the Resolutions for Items B1 thru B4 discussed, voted and recommended for Board approval by the Operations and Facilities Committee.

(Item B1)

The resolution for Item B1 approves Contract Modification Number G-01 with Walsh Construction for general renovation of Philip Murray Homes, Phase II which provides for the removal and replacement of all sanitary/waste stacks and vent piping with new Schedule 40 PVC piping in three hundred units spread across thirty-eight buildings. The work is needed due to the significant and irreversible deterioration of the existing cast iron and galvanized piping within the kitchen and bathroom plumbing stacks of these units. The original construction documents and scope of work for this project called for the complete removal and replacement of all plumbing piping in the project. Prior to the solicitation, the CHA conducted selective demolition and testing in some of the units and believed that such extensive piping replacement would not be necessary. Accordingly, the CHA removed this work from the scope of the project and believed that this action would result in cost savings to the CHA in excess of \$3,500,000.00. Upon commencement of construction and actual demolition of the units, the CHA discovered that the selective testing performed earlier had not produced accurate results and that there was significant deterioration of the existing cast iron and galvanized piping. Accordingly, an analysis of the best means and methods to correct this issue was performed, resulting in this contract modification. The net result is that the piping in this development will be rehabilitated at a total cost substantially less than the original cost to remove and replace all of the plumbing piping at the development.

RESOLUTION NO. 2007-CHA-64

WHEREAS, the Board of Commissioners has reviewed Board Letter dated May 7, 2007, entitled "Authorization to execute Modification No. G-01 to Contract No. 7005 with Walsh Construction Company for additional work related to the General Renovation of Philip Murray Homes (IL2-011) – Phase 2";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or her designee to execute Contract Modification No. G-01 to Contract No. 7005 with Walsh Construction Company in the amount of \$1,465,425.00 for additional work related to the general renovation of Philip Murray Homes (IL2-011) – Phase 2 at 969 East 132nd Place. The new total contract amount of Contract No. 7005 is \$62,742,993.00.

This Contract Modification is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements

(Item B2)

The resolution for Item B2 approves Modification No. G-11 with George Sollitt Construction Company for the general renovation of Trumbull Park Homes. The renovation work commenced in June of 2004. This contract modification provides funding for the Contractor's work rebuilding parapets and replacing missing limestone caps. This rebuilding included the re-settling of the existing masonry unit or the installation of a replacement masonry unit. This work also corrected displaced and "spalled" masonry units, replaced missing limestone wall coping stones, and rebuilt the masonry areas detailed in Bulletin 69.

RESOLUTION NO. 2007-CHA-65

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 7, 2007 entitled "Authorization to execute Modification No. G-11 to Contract No. 0617

with the George Sollitt Construction Company for additional work related to the General Renovation of Trumbull Park Homes (IL2-025)”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or her designee to execute Contract Modification No. G-11 to Contract No. 0617 with The George Sollitt Construction Company in the amount of \$137,970.00 for additional work related to the general renovation of Trumbull Park Homes (IL2-025). The management offices for Trumbull Park Homes are located at 2437 East 106th Street. The new total contract amount of Contract No. 0617 is \$7,092,105.26.

This Contract Modification is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

(Item B3)

The resolution for Item B3 approves the second Base Year of contract with Partnership For Transformation. In order to effectively complete all construction, rehabilitation and capital maintenance activities outlined in the CHA’s Plan for Transformation, the CHA awarded a contract to Partnership for Transformation for authority-wide construction management services. During the first year of its contract, Partnership has addressed the CHA’s construction related needs, including the establishment of a single point of accountability for the rehabilitation of the Senior, Family, and Scattered Sites properties, and Make-Ready units as part of the Plan for Transformation; the implementation of an efficient and comprehensive plan covering pre-construction, construction and post-construction to ensure on-time delivery of housing units, and the imposition of tight fiscal guidelines, as well as change order protocols, to meet budget targets and constraints. In addition, Partnership has taken action to eliminate certain redundant functions previously performed by the Managing Owner’s Representative, the Owner’s Representatives, and others.

RESOLUTION NO. 2007-CHA-66

WHEREAS, the Board of Commissioners has reviewed Board Letter dated May 7, 2007 entitled “Authorization to approve the Funding, Budget, and Organizational Staffing for the 2nd Base Year of Contract No. 6023 with The Partnership For Transformation for Authority-wide Construction Management Services”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners approves and authorizes the Chief Executive Officer or her designee to agree to the funding, budget and organizational staffing for the 2nd Base Year of Contract No. 6023 with Partnership for Transformation for authority-wide construction management services in a not-to-exceed amount of \$3,611,237.00 for the 2nd Base Year, June 1, 2007 through May 31, 2008. The new not-to-exceed contract amount of Contract No. 6023 will be \$6,758,974.00. This award is subject to the Contractor’s compliance with CHA’s MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.

Item B4)

As part of the Capital Improvement Program, the Authority solicited bids to perform renovation work at the Family housing development at Dearborn Homes (IL2-009). This renovation work will be performed within two buildings located at 2920 South State Street and 2940 South State Street. The Scope of Work for this solicitation includes the renovation of all tenant and common areas, including mechanical, electrical and plumbing systems, and site/landscaping improvements. Work shall result in seventy-eight units being extensively renovated, along with the exterior building and landscaping improvements. The units are scheduled to be completed by December 21, 2007. An IFB was advertised in area newspapers. Of the four bids opened, the second apparent low bidder, Friedler Construction Company, was determined to be the lowest responsive and responsible bidder at \$17,780,000.00. Accordingly, the resolution for B4 awards contract to Friedler Construction for renovation work at Dearborn Homes.

RESOLUTION NO. 2007-CHA-67

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2007, entitled “Authorization to execute a contract with Friedler Construction Company for the Family Housing Renovation at Dearborn Homes (IL2-009) – Phase I”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT that the Board of Commissioners authorizes the Chief Executive Officer or her designee to execute a contract with Friedler Construction Company in the amount of \$17,780,000.00 for the renovation of Dearborn Homes (IL2-009) – Phase 1, a Family housing development. The buildings are located at 2920 and 2940 South State Street. Friedler Constriction Company will complete seventy-eight (78) units by no later than December 21, 2007. This award is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

The Omnibus Motion to adopt resolutions for Items B1 thru B4 was seconded by Commissioner Young and the voting was as follows:

Ayes: Martin Nesbitt
 Hallie Amey
 Dr. Mildred Harris
 Bridget O’Keefe
 Sandra Young
 Mary Wiggins

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Operations and Facilities Committee report was also accepted in total.

At this time Sharon Gist Gilliam, Chief Executive Officer, joined the meeting in session.

Commissioner Young, Chairperson of the Tenant Services Committee, then presented her monthly report. Per Commissioner Young, the Tenant Services Committee Meeting was held on Wednesday, May 9, 2007 at approximately 2:05 p.m. at the 60 E. Van Buren Corporate Offices. Our own Commissioner Ivers together with CHA staff, Pat Jasper and Mark Joseph of Case Western Reserve University, presented the Committee with an informative update on the Hope VI Faith-Based Mentoring Demonstration Program.

Commissioner Young then introduced a Motion for the adoption of Resolution for Items C1 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item C1)

In December 2003, the Board authorized a Contract with HCP/Heartland for an initial term of fourteen (14) months with four one-year options to provide HSS to families that had to relocate from their existing public housing units. These families lived in buildings scheduled for closing due to redevelopment/rehabilitation and they were to relocate to other CHA public housing units or the private-market housing using a Housing Choice Voucher (HCV). The services provided under the Contract included obtaining/maintaining lease compliance, assessment, providing community tours, identifying housing and other services to assist families in meeting their housing choice. During subsequent approval of contract extensions, HCP/Heartland has met, and at times exceeded its obligations under the Contract, including goals related to showing CHA families available units in low poverty and opportunity areas. Accordingly, the resolution for Item C1 approves the third year option year. During the third year extension option period, \$1,020,000.00 of additional funding to be added to the carryover balance available at the end of the current contract term is required to allow HCP/Heartland to provide housing and supportive services to approximately 400 families from Washington Park, Madden/Wells/Darrow, Dearborn, the Gautreaux Program, and other additional sites as assigned and to continue providing follow-up services to CHA families that were referred and relocated during the second option year.

RESOLUTION NO. 2007-CHA-68

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 7, 2007, entitled “Recommendation to exercise the third one-year option of Contract No. 0454 with HCP of Illinois, Inc. and Heartland Human Care Services, Inc., a Joint Venture for Housing and Supportive Services”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or her designee to exercise the third one (1) year option of Contract No. 0454 with HCP of Illinois, Inc. and Heartland Human Care Services, Inc. a joint venture (the “Contract”), for housing and supportive services for the period of July 1, 2007 through June 30, 2008 and to increase the Contract’s not-to-exceed compensation amount by adding \$1,020,000.00 to the carryover balance remaining at the end of the second one-year option period. The Contract’s new total not-to-exceed contract amount will be \$3,331,702.00.

The Motion to adopt resolution for Items C1 was seconded by Commissioner Harris and the voting was as follows:

Ayes: Martin Nesbitt
 Hallie Amey
 Dr. Mildred Harris
 Bridget O’Keefe
 Sandra Young
 Mary Wiggins

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolution adopted. The Tenant Services Committee report was also accepted in total.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

s/b: Martin Nesbitt
 Chairperson

s/: Lee Gill, Custodian and
 Keeper of Records